



Saskatchewan
Apprenticeship and
Trade Certification
Commission



2015-16 Business Plan

Vision and Mandate

The SATCC Vision

A skilled and representative trades workforce,
industry trained and certified.

The SATCC Mandate

To develop and execute
a relevant, accessible and responsive
apprenticeship training and certification system
to meet the needs of
employers, apprentices, journeypersons and tradespersons.

SATCC Overview

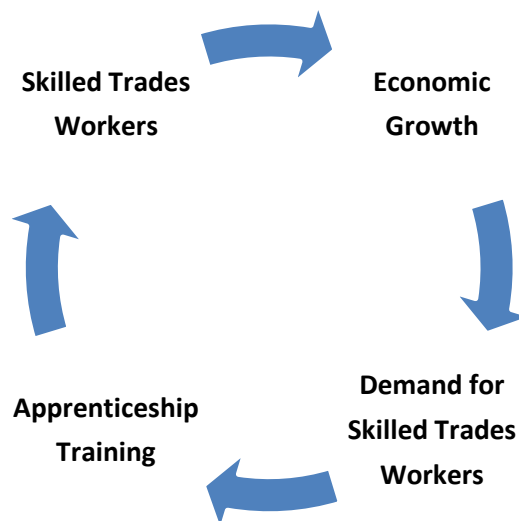
The Apprenticeship and Trade Certification Act, 1999 provides the Saskatchewan Apprenticeship and Trade Certification SATCC (SATCC or the SATCC) with the mandate to manage the apprenticeship and trade certification system in Saskatchewan. The Act gives the SATCC the authority to make regulations to ensure the efficient and effective operation of the apprenticeship system to meet the needs of industry in a timely manner. It also sets out the SATCC's accountability to government and industry.

The SATCC has an industry-led governance structure that allows revenue-generating authority to ensure that programs, services and training are timely and effective. Saskatchewan industry nominates twelve of the twenty SATCC Board members – six employer representatives and six employee representatives. The Board also includes representation from the Government of Saskatchewan, training providers as well as under-represented and equity groups. The Board Chair and Vice-Chair are elected annually by the SATCC Board members. The SATCC reports to the Saskatchewan Legislature through a Minister Responsible for the SATCC.

Operational Context

Apprenticeship training is demand-driven. Apprentices must already be employed in their trade to be eligible for training. Saskatchewan's demand for skilled tradespeople continues to be strong and, in order to grow the economy, this demand must be met. In addition to supplying the skilled labour necessary for infrastructure development and maintenance, certified journeypersons also become entrepreneurs and leaders in industry.

Apprenticeship is a key part of Saskatchewan's labour market development and reduces some economic growth barriers. Apprentices and journeypersons are integral to many sectors of Saskatchewan's economy – residential, commercial and institutional construction and maintenance, tourism, agricultural, automotive, mining, oil and gas, etc.



The majority of Saskatchewan's apprentices are in the construction sector. The demand in this sector is forecast to remain high over a number of years into the future. Construction

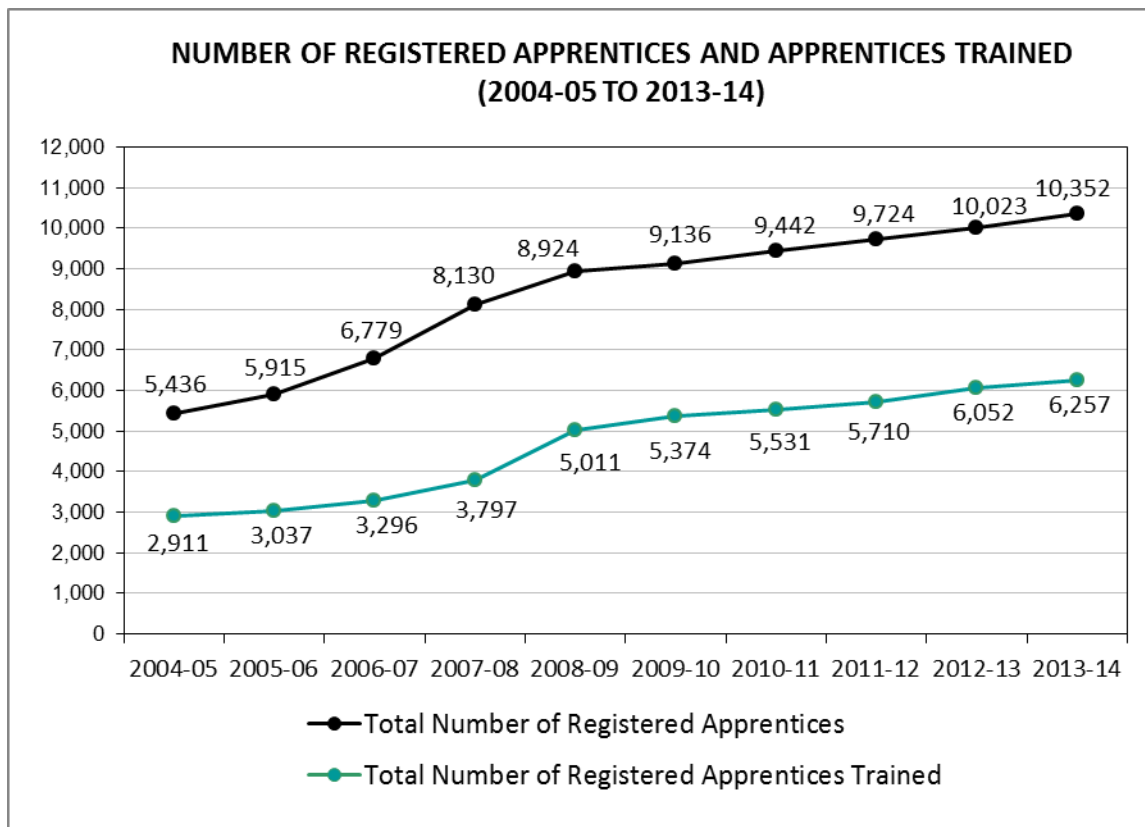
employment in Saskatchewan has more than doubled in the past decade (adding 24,000 new jobs) and has had the strongest expansion in Canada.¹

BuildForce Canada's report, *Construction and Maintenance Looking Forward: 2015-2024*, forecasts the extraordinary growth in Saskatchewan construction employment, which began in 2005, will continue to expand until approximately 2019. Despite the recent slow-down in the global oil and gas industry, including Saskatchewan's, this report anticipates the construction sector will continue to see tight labour market conditions where even modest increases in requirements will cause some difficulties with recruiting.

BuildForce projects that Saskatchewan will need an additional 9,000 new construction workers over the next 10 years, taking into account both those leaving the industry (e.g. retirements) and additional workers required due to continued growth. This suggests the demand for new apprentices and journeypersons will continue to grow, which implies the SATCC will need to continue expanding the amount of technical training provided to meet higher demand.

Growth Implications

The SATCC has consistently met increases for apprentice training seats and courses due to increased apprentice registration. This has resulted in an increase in the number of apprentices and tradespeople achieving journeyperson certification.

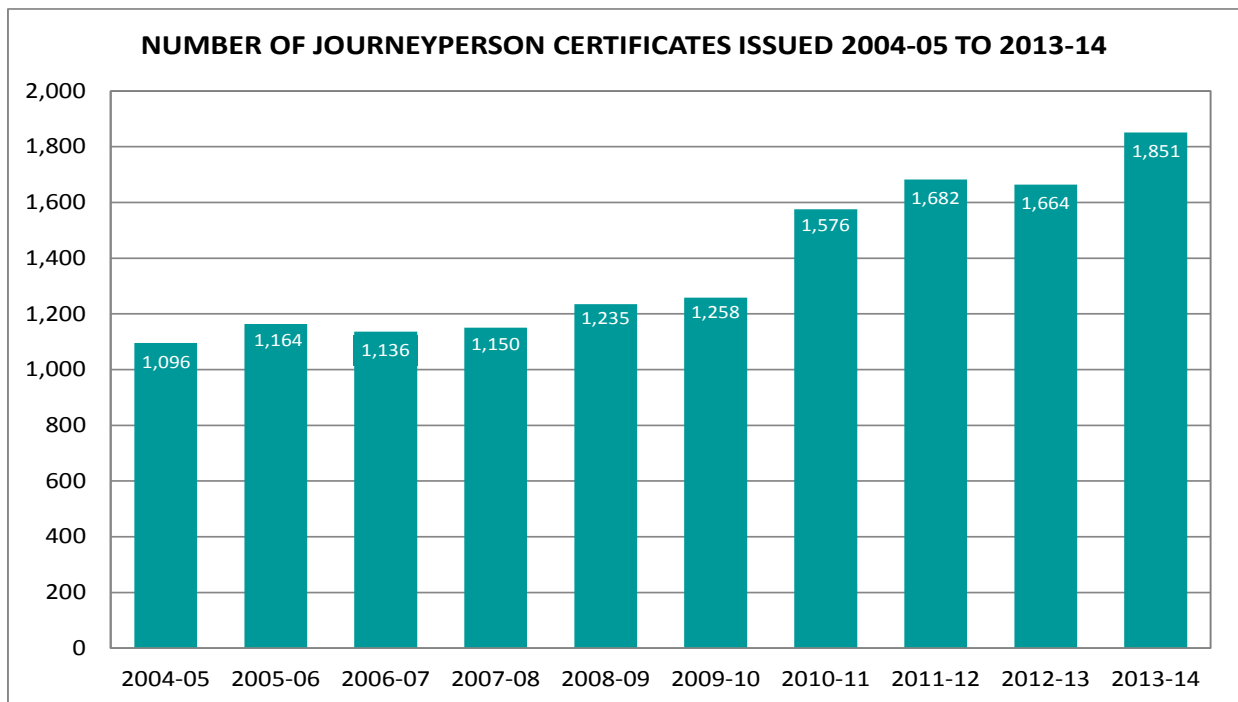


¹ BuildForce Canada, "2015-2014 Key Highlights: Construction and Maintenance Looking Forward, Saskatchewan"

The number of registered apprentices on June 30, 2004 was 5,436. By June 30, 2014 this number had increased by 90.4 per cent to 10,352. This growth created greater demands for apprenticeship technical training. The number of registered apprentices taking technical training rose from 2,911 seats in 2004-05 to 6,417 seats in 2013-14, an increase of 110.0 per cent.

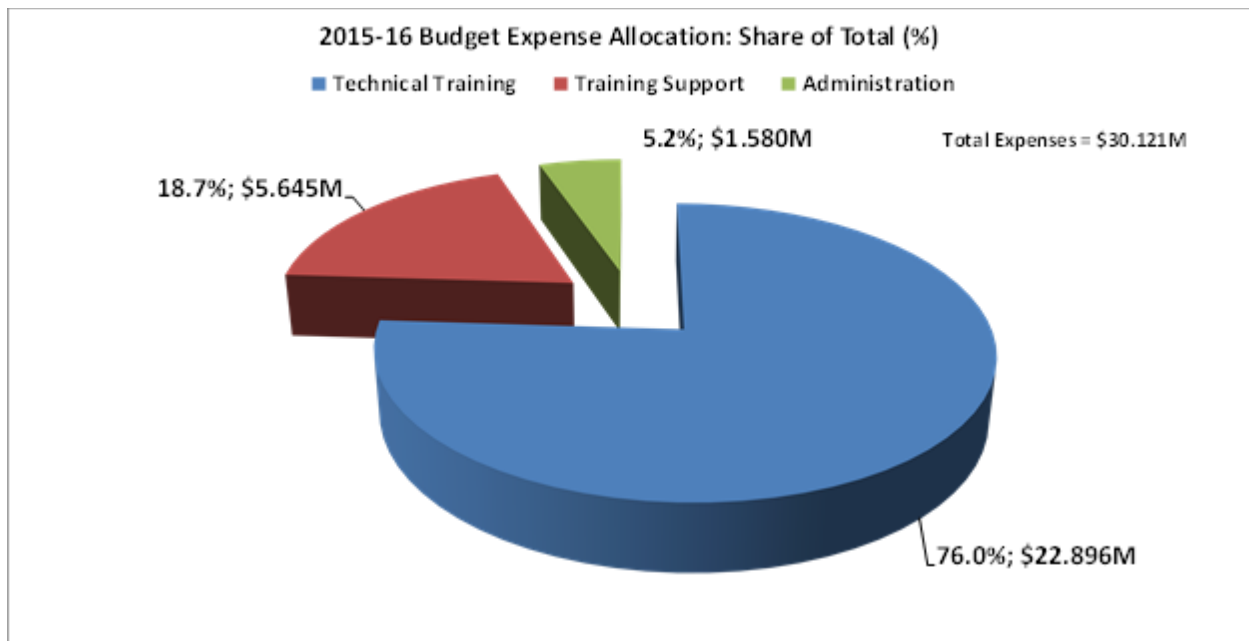
Apprentices progress through the training system by completing the required number of workplace hours as well as successfully completing the levels of technical training required. As such, the increases in training seats tend to follow increases in apprenticeship numbers by one to two years. Similarly, at times when the economy is in decline, training seat demands continue to rise for one to two years following.

Between 2004-05 and 2013-14, the number of journeyman certifications achieved rose 68.9 per cent from 1,096 to 1,851, respectively. Similar to the demand for training seats, there is a lag of between four to six years on increases in the number of apprentices to the number of journeyman certificates issued.



The majority of the SATCC's costs are tied to training needs, leaving little discretionary funding available. For example, in the 2015-16 SATCC budget:

- 76 per cent is allocated to training institutions for technical training costs;
- Approximately 19 per cent will be spent on training supports; and
- About five per cent will be spent on administration costs.



On the expenditure side, the SATCC can reduce spending in the administrative area but it is the smallest piece of the expenditure pie. The SATCC can use money within its Unrestricted Surplus – Excess over Minimum fund. However, this is unsustainable over a long period of time and/or if there are substantial deficits incurred.

The SATCC has focused on Lean initiatives and process efficiency, and SATCC expenses have been managed very carefully. This has allowed the SATCC to continue to provide quality service and limit expense growth. The SATCC is looking at technologically supportive approaches to further sustain and grow apprenticeship training in an efficient manner. In addition to revenue and cost control strategies, the SATCC has reviewed the risk of not making sufficient training available.

To meet the demands of the provincial labour market and to develop a skilled workforce to support the growth of Saskatchewan’s economy, the SATCC must find ways to accommodate the number of apprentices in training. The SATCC focuses funding and staff resources on three major priorities:

1. Meet increased training demands for registered apprentices and upgrading clients;
2. Examine internal processes and training opportunities to increase efficiencies and improve client services; and
3. Maintain current levels of support to stakeholders to increase apprenticeship participation for:
 - Youth;
 - Women in predominantly male trades;
 - Aboriginal persons; and
 - Internationally trained workers.

Risk Analysis

The following risks, identified through the SATCC enterprise risk assessment and planning process, may impact the 2015-16 Business plan. These risks have been identified in the high or moderate category. This means the risk is assessed as having a high or moderate impact to the organization and/or a high or moderate likelihood of occurrence.

1. Funding Challenges

For 2015-16, the provincial budget set a target for 7,000 technical training seats to be purchased, an increase of 300 over the 6,700 seats in the SATCC's 2014-15 Business Plan. In order to achieve the target for training seats, the current communications and marketing strategy will continue to promote apprenticeship but only a small portion of the planned employer engagement campaign to increase greater understanding of and participation in the apprenticeship system will proceed in 2015-16 due to budget considerations.

2. OCSM Functionality/Stability Issues

The SATCC currently uses the Government of Saskatchewan's One Client Service Model (OCSM) as its database for all apprentice and employer information. In surveys conducted by the SATCC, a majority of apprentices and employers have indicated a strong preference for having the ability to provide/access information online or through smartphones, which OCSM does not currently support.

OCSM is based on antiquated hardware and software which is no longer vendor supported. However, the Ministry of Economy and Ministry of Advanced Education have developed a stabilization plan to be implemented in 2015-16 to rectify this issue. Both ministries have indicated they may pursue a modernization plan for OCSM in the future if funding is available.

3. Economy & Labour Market

Saskatchewan's economy has been relatively strong for the past several years. Between 2009 and 2014, the Ministry of Finance reports that Saskatchewan's economy had the second highest growth of any provincial economy (second to only Alberta).² The province enjoyed strong performance across a variety of sectors like mining, manufacturing, construction, etc. This growth was, in part, fuelled by a strong rebound in export growth starting in approximately 2009.

There was also strong population growth in Saskatchewan during this period. Between 2009 and 2014, Saskatchewan had the second highest population growth of any province at a total of 8.7 per cent (again, second to Alberta).³ Saskatchewan's population was 1.125 million people as at July 1, 2014, which is nearly 91,000 people more than the same date in 2009.⁴

The combination of strong economic and population growth has created a very strong labour market in Saskatchewan. Saskatchewan's unemployment rate was the lowest in Canada in 2014 at 3.8 per cent. Additionally, in 2014, average weekly earnings in Saskatchewan continued

² Sask. Ministry of Finance, 2015-16 Provincial Budget: Keeping Saskatchewan Strong, p.38

³ Ibid, p.33.

⁴ Sask. Bureaus of Statistics May 2015 Monthly Statistics Review, p.1.

to exceed the Canadian average by over four per cent at \$976 per week. Total employment in Saskatchewan averaged approximately 571,000 jobs in 2014. This is approximately 50,000 more jobs than the average total employment in 2009 in the province.

As cited earlier in this document, there has been a concomitant increase in the number of apprentices registered with the SATCC. Since 2008-09, the number of apprentices has increased from approximately 8,900 apprentices to over 10,300 apprentices in 2013-14. Over the last 10 years, the number of apprentices has nearly doubled from the approximate 5,400 apprentices in 2004-05.

Employers that register apprentices demonstrate a commitment to train and certify to national industry standards. The challenge is to engage employers, no matter the size of their operation or location, to participate in the apprenticeship program. The demand for apprentice services and/or workers seeking apprenticeship may decline if the number of employers supporting apprenticeship does not grow.

This potentially poses a significant risk given the current economic climate facing Saskatchewan. The Ministry of Finance's 2015-16 Budget predicts slow economic growth in 2015 (0.8%) and moderate economic growth in its five-year forecast period (e.g. economic growth averaging less than two per cent annually through 2019).⁵ The Ministry of Finance is also forecasting slower employment growth over the next five years (e.g. averaging job growth of less than 5,000 new jobs annually through 2019).⁶

It should be noted, though, the SATCC's previous experience with economic/labour market downturns is there is a lag between the downturn and a decrease in apprentices. Specifically, apprentices do not necessarily exit the program immediately since employers may think the downturn is temporary and they want to retain skilled employees and/or apprentices may have earned enough trade time to attend the next level of training even if they do not currently have a job.

⁵ Sask. Ministry of Finance, 2015-16 Provincial Budget: Keeping Saskatchewan Strong, p.38.

⁶ Ibid.

Strategies, Goals, Operational Initiatives and Performance Measures

The role of the SATCC is to:

- Support the apprenticeship model;
- Consult industry on standards setting and program design;
- Contract with training institutions to provide technical training to apprentices; and
- Support industry in workplace training.

The SATCC developed the 2014-2019 Strategic Plan to identify key directions and priorities for the organization. Strategies were developed by the Board of Directors to identify those areas of highest priority, viewed from the perspective of a five-year planning horizon.

Strategies define the major areas of focus and development the organization is pursuing to achieve its Vision and Mandate. Within each strategy, goals are identified. These goals are measured and reported to monitor progress towards achieving the strategy.

To achieve the strategies and their goals, key operational initiatives were developed by SATCC Management to identify the business activities and required budget to:

- Identify the direction of the SATCC over the next five years; and
- Establish priorities to direct the financial and other resource components of the SATCC annual business plan, which provides for both ongoing activities and new strategic initiatives.

The following strategies, key initiatives and outcomes form the focus of the SATCC's activities in 2015-16. The overall progress made towards meeting them will be reported on in the 2015-16 Annual Report and regular reporting at Board of Directors meetings.

The targets set out for each performance measure were arrived at through a combination of methodologies and trend analysis of the latest information impacting SATCC. The proposed performance measures are made up of two components:

- A reorganized set of proposed performance measures;
- A reference table which highlights each measure, the description and purpose, methodology and target explanation for the 2015-16 target as well as two further years. Please see Appendix A for the reference table.

2015-16 Performance Measures

Please see Appendix A - Balanced Scorecard Reference Table for the definition, purpose, methodology and target explanation for each measure.

	2013-14 Actual	2014-15 Target	2014-15 YTD*	2015-16 Target	2016-17 Target	2017-18 Target
1. TRAINING						
New Apprentice Registrations	3,059	N/A	3,197	3,100	3,100	3,100
Total Apprentices	10,352	N/A	10,144	10,000	10,000	10,000
Total Employers	2,813	N/A	2,807	2,800	2,850	2,900
Journeyman Certificates Issued	1,851	N/A	1,157	1,700	1,700	1,700
Real Completion Rate (RCR)	61%	N/A	N/A**	62%	63%	64%
Red Seal Exam Pass Rate	75%	77%	80%	80%	80%	80%
Technical Training Seats	6,448	6,700	5,601	7,000	7,180	7,300
Apprentice Satisfaction with Training	86%	N/A	N/A***	90%	90%	90%
Employer Satisfaction with Training	82%	N/A	N/A***	85%	85%	85%
2. ADVOCACY						
Aboriginal Apprentices Registered	1,532	1,338	1,426	1,400	1,450	1,500
Female Apprentices Registered	946	N/A	908	950	975	1,000
Female Apprentices Registered in Predominantly Male Trades (PMT)	445	N/A	458	475	500	525
Visible Minority Apprentices Registered	234	N/A	275	250	275	300
Apprentices with Disabilities Registered	454	N/A	434	450	475	500
3. FUNDING						
Sufficient Revenue to Fund Technical Training (%)	64%	65%	57.1%	70%	72%	73%
Share of Non-Government Revenue (%)	18.4%	18.7%	19.1%	19.0%	19.0%	19.0%
Unrestricted Surplus – Excess over Minimum (\$000s)	1,332	1,053	2,513	1,327	185	(1,030)
Annual (Deficit)/Surplus (\$000s)	1,320	(390)	34	(1,252)	(1,310)	(1,367)
4. INDUSTRY NEEDS						

	2013-14 Actual	2014-15 Target	2014-15 YTD*	2015-16 Target	2016-17 Target	2017-18 Target
Industry Trade Boards Meetings	127	N/A	53	125	125	125
Employer Consultations	4,354	3,700	2,884	4,000	4,000	4,000
Harmonization Stakeholder Consultations	N/A	14	12	17	25	25
5. EFFICIENCY						
Technical Training Seats Fill Ratio	98.2%	95%	98.5%	98%	98%	98%
Apprentice Satisfaction with SATCC	90%	90%	N/A [†]	90%	90%	90%
Employer Satisfaction with SATCC	92%	92%	N/A [†]	92%	92%	92%
SATCC Employee Satisfaction	82%	79%	69%	75%	75%	75%

* As at April 30, 2015.

**This is calculated on an annual basis; results will be available after the SATCC year end, June 2015.

*** This is derived from the Employer and Apprentice Satisfaction Survey which is administered every two years and will be completed by the end of June 2015.

N/A = Not Available

2015-16 Budget

Revenues

Total revenue is budgeted at \$29,016,200 in 2015-16 based on the following:

- The General Revenue Fund (GRF) grant from the Ministry of Economy has increased by \$1 million to \$23,226,000. The increase in funding will pay for the increase of 300 training seats (i.e. from 6,700 seats to 7,000 seats);
- The Apprenticeship Training Allowance (ATA) administrative fees remain at \$180,000 as was the case in 2014-15;
- Client Fees (i.e. tuition and other fees charged to apprentices) is budgeted at \$5,341,700, which is an increase of \$312,900 over the 2014-15 Forecast. The increase is attributable to an increase in tuition due to the increase in number of seats. Tuition is to remain at \$85 per week while application/other fees charged to apprentices will also stay the same in 2015-16; and
- Other revenue - \$268,500. This includes \$151,500 for revenue from Psycho-educational assessments, which is has an offsetting expense. Products and Services are budgeted at \$47,000 below the \$58,500 forecast for 2014-15 due to an approximate \$11,000 repayment of an overpayment by the SATCC for training provided by a regional college. Interest is budgeted at \$70,000, which is an increase of \$5,000 over the \$65,000 forecast for 2014-15. The increase in interest is based on earning more interest on a higher accumulated surplus in the beginning of the year.

It should be noted that \$0 has been budgeted for Industry Contributions in 2015-16. The Ministry of Advanced Education (AE) informed the SATCC it would no longer be providing contributions to the Saskatchewan Youth Apprenticeship (SYA) Scholarship program. Prior to this decision, the SATCC had budgeted AE to provide \$120,000 in contributions in 2015-16. Accordingly, the SATCC has removed this funding from the 2015-16 Budget.

However, AE did indicate it may be willing to provide funding for a modified scholarship program. The SATCC intends to work with industry stakeholders to determine if there is any interest in modifying the SYA Scholarship program to address AE's concerns. Therefore, there may be contributions provided by AE (or industry) in 2015-16 but these are not being budgeted for.

Operating Expenses

Total expenses are budgeted at \$30,121,100 in 2015-16 based on the following:

Salaries are budgeted at \$4,681,100, which represents approximately 15.5 per cent of operating expenses. This includes salary increases for unionized staff for cost of living adjustments (COLA) and merit increases within the Collective Bargaining Agreement. Based on the Government of Saskatchewan's direction in January 2015, out-of-scope staff will not receive any COLA or merit increases in 2015-16.

The 2015-16 Budget uses a vacancy factor of approximately 10 per cent, which is higher than the 6.0 per cent used in the 2014-15 Budget. The SATCC's total staff compliment will remain at 72.4 full time equivalent (FTE) positions in 2015-16. There are currently some vacancies that management does not anticipate will be filled. However, if all of these vacancies were filled, Salaries would increase by approximately \$520,000.

Program Contractual Services for apprenticeship technical training in 2015-16 are budgeted to be \$22,896,100. This represents the single largest component of the SATCC's operating expenses, which is approximately 76 per cent of expenses. Technical training costs for 2015-16 are based on the following assumptions:

- Increasing the number of training seats to 7,000 from 6,700 in the 2014-15 budget; and
- Increased training delivery costs based on notification from training providers.

The overall 2015-16 technical training costs are forecast to be \$1,991,700 (9.5%) higher than the 2014-15 Forecast.

Other Contractual Services are budgeted at \$963,700. This is an increase of \$31,600 (9.2%) higher than the 2014-15 Forecast due mainly to an increase of approximately \$31,000 for expenses in IT Management & Support. This increase represents a return to normal spending levels which were lower in 2014-15 due to the spending freeze imposed by the Province.

Board Expenses are budgeted at \$167,700, a decrease of \$3,700 (-2.2%) from the 2014-15 Forecast. The decrease is primarily due to slightly reduced costs as work on harmonization is completed. This is 2.0 per cent above the \$164,400 budgeted for in 2014-15. This category includes the SATCC Board and all the Trade Board costs for all 49 designated trades.

Travel is budgeted at \$251,900 with no change from prior year's budget but is up 11.8 per cent from the \$225,400 currently forecast for 2014-15. The increase is due to reduced travel expenses in 2014-15 as a result of the expenditure constraint requested by the Province.

Telephone expenses are budgeted at \$71,400. This is an increase of \$3,800 (5.6%) based on the trend from the 2014-15 Forecast.

Advertising, Promotion, and Printing is budgeted at \$293,000. This is an increase of \$10,400 (3.7%) from the 2014-15 Forecast as spending returns to normal from the removal of the

spending freeze. This category includes the annual Award Banquet costs and the SYA scholarship awards.

Space Rental is budgeted at \$470,500. This is \$18,500 (4.1%) higher than 2014-15 Forecast, due to scheduled increases in rental costs for the Regina, Saskatoon, and Prince Albert locations as well as increases to other facility rental costs and utility costs.

Equipment Rental is budgeted at \$35,400. This is a decrease of \$2,800 (-5.2%) over the 2014-15 Forecast due to slightly less expected rentals.

Office Supplies are budgeted at \$87,900 based on a 3.5 per cent inflationary increase over the 2014-15 Budget of \$85,000.

Postage, Courier and Freight is budgeted at \$140,000 which is the same as the 2014-15 Budget. This is 4.7 per cent higher than what is forecast to be spent in 2014-15.

Other Expenses are budgeted at \$66,400 as spending in this area is expected to return to levels seen in previous years due to reductions in expenditures on furniture and miscellaneous supplies.

First Nations and Métis Apprentices

Government has committed to eliminate persistent gaps in education and employment outcomes between non-Aboriginal people and First Nations and Métis people. In 2015-16, government designated \$400,000 to deliver projects through the Aboriginal Apprenticeship Initiatives and a further \$600,000 of existing apprenticeship funding to improving outcomes for First Nations and Métis apprentices.

As at April 30, 2015, there were 1,426 self-declared, registered Aboriginal apprentices. The SATCC provides technical training, training coordinator and field staff supports to individual Aboriginal apprentices for which the costs exceed the identified \$600,000.

Summary

The 2015-16 Budget shows a projected deficit of \$1.252M based on revenues of \$29.016M and expenses of \$30.121M. The SATCC is required to maintain a minimum unrestricted surplus set out in the SATCC Board of Directors policy F-2, Financial Assets - Surplus Policy.

The policy states the SATCC shall maintain a minimum unrestricted accumulated surplus equivalent to one month of the previous year's operating expenses (excluding training costs). This is equal to approximately \$602,000. The 2015-16 Budget results in an Unrestricted Surplus balance of \$1,327,200 as of June 30, 2016. This results in an Excess over Minimum of approximately \$725,200 greater than the \$602,000 Minimum Balance as required by Board policy.

2015-16 Budget Financial Statements

Saskatchewan Apprenticeship and Trade Certification Commission
Consolidated Statement of Financial Position
As at June 30
UNAUDITED

	2015-16	April 2015	2013-14
	<u>Budget</u>	<u>Forecast</u>	<u>Actual</u>
Financial Assets:			
Due from General Revenue Fund	4,880,668	5,973,068	5,718,269
Accounts Receivable	84,300	94,200	72,884
Total Financial Assets	4,964,968	6,067,268	5,791,153
Liabilities:			
Accounts Payable and Accrued Liabilities	352,600	362,800	342,329
Accrued Leave Liabilities	323,796	334,796	345,724
Deferred Revenue	699,000	665,000	1,074,785
Deferred Contributions	765,600	865,600	730,200
Total Liabilities	2,140,996	2,228,196	2,493,038
Net Financial Assets (Liabilities)	2,823,973	3,839,073	3,298,115
Non-Financial Assets:			
Tangible Capital Assets	174,276	304,376	449,551
Inventory of Promotional Supplies	8,100	7,200	8,985
Prepaid Expenses	48,300	41,000	60,951
Total Non-Financial Assets	230,676	352,576	519,487
Accumulated Surplus	3,054,649	4,191,649	3,817,602

Saskatchewan Apprenticeship and Trade Certification Commission
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended June 30
UNAUDITED

	2015-16	(April 2015)	
	<u>Budget</u>	<u>Forecast</u>	<u>2013-2014</u>
			<u>Actual</u>
Revenue:			
Grants - General Revenue Fund	23,406,000	22,656,000	21,655,998
Client Fees	5,341,700	5,028,800	4,623,009
Industry Contributions	0	60,000	120,268
Products and Services	198,500	210,000	162,676
Interest	70,000	64,900	62,328
Total Revenue	29,016,200	28,019,700	26,624,279
Expenses:			
Salaries and Personnel	4,681,100	4,430,900	4,127,787
Program Contractual Services	22,896,100	20,904,400	18,753,794
Other Contractual Services	963,700	932,100	828,856
Board Expenses	167,700	171,400	170,891
Travel	251,900	225,400	215,730
Telephone	67,400	67,600	66,283
Advertising, Promotion, and Printing	293,000	282,600	247,389
Space Rental	470,500	452,000	440,635
Equipment Rental	35,400	38,200	30,910
Office Supplies	87,900	75,600	79,798
Postage, Courier, and Freight	140,000	133,700	118,778
Other	66,400	73,701	72,775
Total Expenses	30,121,100	27,787,601	25,153,625
Annual (Deficit) Surplus Before Amortization	(1,104,900)	232,099	1,470,654
Amortization	147,100	149,600	150,553
Annual (Deficit) Surplus After Amortization	(1,252,000)	82,500	1,320,101
Accumulated Surplus, Beginning of Year	3,900,102	3,817,602	2,497,501
Accumulated Surplus, End of Year	2,648,102	3,900,102	3,817,602
Capital Purchases			
Building Improvements	0	0	0
Computer Hardware	0	0	0
Computer Software	0	0	0
Office Equipment	15,000	2,800	0
Office Furniture	2,500	2,500	0
Total	17,500	5,300	0

* Forecast includes actual revenue and expenses to the end of April 2015.

Saskatchewan Apprenticeship and Trade Certification Commission
Consolidated Statement of Change in Financial Assets
For the Year Ended June 30
UNAUDITED

	2015-16 <u>Budget</u>	April 2015 2014-15 <u>Forecast</u>	2013-14 <u>Actual</u>
Annual (Deficit) Surplus	(1,252,000)	82,500	1,320,101
Purchase of Tangible Capital Assets	(17,500)	(5,300)	(6,018)
Amortization of Tangible Capital Assets	147,100	149,600	150,553
Disposal of Tangible Assets	0	0	159
	129,600	144,300	144,694
Acquisition of Prepaid Expenses	0	0	(18,265)
Reduction of Inventory of Promotional Supplies	0	0	(858)
	0	0	(19,123)
(Decrease) Increase in Net Financial Assets	(1,122,400)	226,800	1,445,672
Net Financial Assets (Liabilities), Beginning of Year	3,524,915	3,298,115	1,852,443
Net Financial Assets (Liabilities), End of Year	2,402,515	3,524,915	3,298,115

Saskatchewan Apprenticeship and Trade Certification Commission
Consolidated Statement of Cash Flows
For the Year ended June 30
UNAUDITED

	2015-16 <u>Budget</u>	April 2015 2014-15 <u>Forecast</u>	2013-14 <u>Actual</u>
Operating Activities:			
Cash Receipts from General Revenue	23,406,000	22,656,000	21,700,998
Cash Receipts from Clients	5,341,700	5,028,800	4,726,884
Interest Received	70,000	64,900	58,951
Industry Contributions Received	0	60,000	149,692
Products and Services	198,500	210,000	156,451
Cash Paid to Employees	(4,651,100)	(4,402,900)	(4,224,924)
Cash Paid to Suppliers	(2,543,900)	(2,452,301)	(2,338,998)
Cash Paid to Provide Program Services	(22,896,100)	(20,904,400)	(18,837,773)
Cash Provided by Operating Activities	(1,074,900)	260,099	1,391,281
Capital Activities:			
Purchase of Tangible Capital Assets	(17,500)	(5,300)	(6,018)
Cash applied to Capital Activities	(17,500)	(5,300)	(6,018)
(Decrease) Increase in Cash	(1,092,400)	254,799	1,385,263
Due from General Revenue Fund, Beginning of Year	5,973,068	5,718,269	4,333,006
Due from General Revenue Fund, End of Year	4,880,668	5,973,068	5,718,269

APPENDIX A: Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
New Apprentice Registrations Lead: Corporate Services	The number of newly registered apprentices is an indicator of growth in the SATCC system.	Due to the demand nature of the apprenticeship system, the number of newly registered apprentices is outside the control of the SATCC. It is a key operational indicator and is an important variable to be considered in budgetary and technical training planning.	The 5 year average of percentage increase or (decrease year) over year.	08-09 to 09-10 (8.6) 09-10 to 10-11 4.6 10-11 to 11-12 12.2 11-12 to 12-13 2.7 <u>12-13 to 13-14 (1.7)</u> 5yr Avg 1.8 1.8% increase of 3,059 = 3,106 rounded to 3,100	Given the current economic context of slower growth, the number was flat-lined to stay at 3,100.
Total Apprentices Lead: Corporate Services	The total number of registered apprentices indicates the size of the SATCC client base requiring services.	Due to the demand nature of the apprenticeship system, the total number of registered apprentices is outside the control of the SATCC. It is a key operational indicator and is an important variable to be considered in budgetary and technical training planning.	The 5 year average of percentage increase or (decrease) year over year.	08-09 to 09-10 2.4 09-10 to 10-11 3.3 10-11 to 11-12 3.0 11-12 to 12-13 3.1 <u>12-13 to 13-14 3.3</u> 5yr Avg 3.2 3.2% increase of 10,352 = 10,683 rounded to 10,000	Given the current economic context of slower growth, the number was flat-lined to stay at 10,000.
Total Employers Lead: Corporate Services	Employers of apprentices drive demand for apprenticeship services.	The more employers engaged with apprenticeship, the higher the demand for SATCC services.	The 5 year average number of employers.	2009-10 2,649 2010-11 2,730 2011-12 2,618 2012-13 2,750 <u>2013-14 2,813</u> 5yr Avg 2,712 Rounded up to 2,800 The current fiscal restraint has put on hold SATCC's planned "Employer Engagement" campaign to try to increase the number of employers participating in the apprenticeship system. Due to uncertainty as to when the restraint may be lifted, and the current economic context of slower growth, the target is not increased from last year's result.	Given the SATCC's employer engagement strategy, an increase of 50 employers per year is forecast.

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
Journeyperson Certificates Issued Lead: Corporate Services	The more journeyperson certificates (JP's) issued the more skilled workers available to the Saskatchewan labour market.	This outcome will directly impact the achievement of the SATCC Vision and Mission.	The 5 year average percentage of total number of apprentices. In 2013-14 number of JP's issued was the highest number in SATCC history.	2009-10 13.8 2010-11 16.7 2011-12 17.3 2012-13 16.6 <u>2013-14 17.9</u> 5yr Avg 16.0 16.0% of 10,352 = 1,656 rounded to 1,700	The target in the out years is projected to be the same as in 2015-16, given the current economic context of slower growth.
Real Completion Rate (RCR) Lead: Corporate Services	SK was not included in a 2003 national cohort study for apprentice completion rates due to data limitations. In 2012-13, the SATCC adopted the Alberta methodology for cohort completion calculation.	The higher the completion rate, the greater the number of journeypersons available to the labour market and the greater the return on the Province's investment in training.	This method follows individuals through the system and takes the # of apprentices who get JP status (within 2 years after expected end of program) divided by the # of apprentices who complete Level One in a given year. It excludes hair stylists and electronics assemblers as these trades do not follow the traditional apprentice training routes. An overall completion rate is calculated annually based on the completion rate for each trade. The completion rate for compulsory and non-compulsory trades is calculated on an annual basis (at year end) for information.	2009-10 59.2 2010-11 59.1 2011-12 65.2 2012-13 65.7 <u>2013-14 61.7</u> 5yr Avg 62.2% Rounded to 62% The target is based on the rolling 5 year average for the completion rate based on a weighted average using the number of apprentices in each trade. Overall completion rate The completion rate and averages for compulsory and non-compulsory groups are included below for information. Compulsory trades 2009-10 63.8 2010-11 65.5 2011-12 73.4 2012-13 73.7 <u>2013-14 69.3</u> 5yr Avg 69.1 Non-compulsory trades 2009-10 57.1 2010-11 56.0 2011-12 61.2 2012-13 61.4 <u>2013-14 57.5</u> 5yr Avg 57.8	The target in the out years is projected to increase by 1% in the out years based on management's assessment of the past trends and current economic situation.
Red Seal Exam Pass Rate Lead: Apprenticeship	The Red Seal secretariat publishes the percentage of apprentices who are successful at passing the Red Seal journeyperson exam in their given trade, on an annual basis. The information is available for SK apprentices and all of Canada.	The higher the success of SK apprentices on the Red Seal exam, the greater the number of journeypersons available to the labour market.	The SATCC reports the results for the previous calendar year as audited by Statistics Canada; the results are received in June of the following year (the 2015 results will be received in June 2016).	The success rate has been increasing in the last few years, so in order to create a stretch target, management chose 80%.	The success rate has been increasing in the last few years, so in order to create a stretch target, management chose 80%.

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
Technical Training Seats Lead: Corporate Services	Apprentices receive training on the job and by attending technical training. In order to achieve journeyman certification an apprentice must attend technical training on an annual basis, as well as accumulating on the job training.	This outcome will directly impact the achievement of the SATCC Vision and Mission.	The SATCC uses a forecasting method to determine the number of training seats required for the next three years. It takes into account the current number of active apprentices by trade and by level of training. It also uses historical data related to attendance patterns on a trade by trade basis and historical growth patterns over the past 5 years.	7,000 training seats purchased, increased from 6,700 training seats (4.5% increase) purchased in 2014-15. In 2015-16 quarterly targets will be set in the master training plan.	Management has set a target of 7,180 seats (2016-17) and 7,300 (2017-18) seats based on the forecasting method to meet apprentice demand for training.
Apprentice Satisfaction with Training Lead: Corporate Services	The Apprentice and Employer Satisfaction survey was conducted in 2007, 2010 and 2013.	To provide apprentice satisfaction with on the job training.	The target is an average of the percentage of apprentices who agreed or strongly agreed with the statement <i>"Overall I am satisfied with the quality of my on the job training."</i>	2013 88 2010 84 <u>2007</u> 91 3yr Avg 87.6 Rounded to 90% The statistical validity of the survey is 95% certainty within + or -5%. In management's opinion, a target of 90% is reasonable.	The statistical validity of the survey is 95% certainty within + or -5%. In management's opinion, a target of 90% in the out years is reasonable.
Employer Satisfaction with Training Lead: Corporate Services	The Apprentice and Employer Satisfaction survey was conducted in 2007, 2010 and 2013.	To provide employer satisfaction with quality of the journeyman as a proxy for satisfaction with the training.	The target is an average of the percentage of employers who agreed or strongly agreed with the statement <i>"Overall I am satisfied with the quality of the journeyman following completion of apprenticeship."</i>	2013 81 2010 82 <u>2007</u> 86 3yr Avg 83.0 Rounded to 85% The statistical validity of the survey is 95% certainty within + or -5%. In management's opinion, a target of 85% is reasonable.	The statistical validity of the survey is 95% certainty within + or -5%. In management's opinion, a target of 90% in the out years is reasonable.
Aboriginal Apprentices Registered Lead: Corporate Services	The number of Aboriginal apprentices registered at year end.	Maintain a representative proportion of the SK Aboriginal population as apprentices compared to the general labour market.	The 5 year average as a percentage of total number of apprentices.	2009-10 14.8 2010-11 13.8 2011-12 13.2 2012-13 13.5 <u>2013-14</u> 13.3 5yr Avg 13.7 13.7% of 10,352 = 1,418 Rounded to 1,400	The targets in the out years show a minor increase in the numbers of aboriginal apprentices based on management's assessment of the past trends and current economic situation.
Female Apprentices Registered Lead: Corporate Services	The number of female apprentices registered at year end.	Women are under-represented in the SK apprenticeship system compared to the general labour market. This indicator will provide trend information.	The 5 year average as a percentage of total number of apprentices.	2009-10 9.1 2010-11 8.8 2011-12 9.8 2012-13 9.0 <u>2013-14</u> 9.0 5yr Avg 9.2 9.2% of 10,352 = 952 Rounded to 950	The targets in the out years show minor increases in the numbers of women apprentices based on management's assessment of the past trends and current economic situation.

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
Female Apprentices Registered in Predominantly Male Trades (PMT)	The number of female apprentices registered in PMT at year end.	Women are under-represented in the SK apprenticeship system in PMT. This indicator will provide trend information.	The 5 year trend shows small incremental growth.	2009-10 228 2010-11 332 2011-12 355 2012-13 377 2013-14 445	The targets in the out years show minor increases in the numbers of female apprentices in PMT based on management's assessment of the past trends and current economic situation.
Visible Minority Apprentices Registered Lead: Corporate Services	The number of visible minority apprentices registered at year end.	Visible minorities are under-represented in the SK apprenticeship system compared to the general labour market. This indicator will provide trend information.	The 5 year average percentage of total number of apprentices.	2009-10 2.3 2010-11 2.1 2011-12 1.8 2012-13 1.7 <u>2013-14 1.0</u> 5yr Avg 1.8 1.8% of 10,352 = 186 Rounded to 250 taking into account the actual number (271) year to date.	The targets in the out years show a minor increase in the numbers of visible minority apprentices based on management's assessment of the past trends and current economic situation.
Apprentices with Disabilities Registered Lead: Corporate Services	The number of apprentices that self-identify with a disability, or an assessed learning disability, registered at year end.	Provide trend information regarding the number of registered apprentices with disabilities and learning disabilities.	Previous to 2013-14 information about apprentices with disabilities was tracked for those who self-identified with a disability. On a go forward basis this information will be tracked on a combined basis, both self-identified and those with accommodations.	Target set at 450 based on 2013-14 year end number of 454 and year to date number of 434.	The target in the out years is projected to increase by 25 each year.
Sufficient Revenue to Fund Technical Training Lead: Corporate Services	The provincial government grant and tuition fee revenues are sufficient to fund apprentice technical training.	In any given year, only a certain percentage of registered apprentices are ready to attend technical training.	Number of registered apprentices on July 1, 2014, number of seats able to purchase with grant provided, 6,700 divided by 10,352 = 64.7% rounded to 65%	Given the enormous growth in apprentice numbers in the past 7 years, funding has been gradually increased to fund up to the optimal target. This is a progressing target, aimed at moving up from 60% to 70% in the next year.	This increase in the target to 72% and 73% in the out years is dependent on receiving increases to the provincial grant funding and rational increases to tuition fees.

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
<p>Share of Non-Government Revenue (%)</p> <p>Lead: Corporate Services</p>	<p>The share of revenue generated from non-government sources such as Client Fees, Interest, etc.</p>	<p>Measures the reliance of the SATCC on government funding to generate revenue.</p>	<p>Non-Gov't Revenue = Client Fees + Industry Contributions + Products and Services + Interest</p> <p>Non-Gov't Revenue Share = (Non-Gov't Revenue/Total Revenue) x 100</p>	<p>Non-Gov't Revenue = \$5.610M</p> <p>Total Revenue = \$29.016M</p> <p>Non-Gov't Revenue Share = (\$5.610M/\$29.016M) x 100 = 19.3%</p>	<p>Non-Gov't Revenue Share is expected to decline slightly to 19.0% in 2016-17 and 18.7% in 2017-18.</p> <p>This is based on the 2015-16 Budget forecast using the following main assumptions:</p> <ul style="list-style-type: none"> • Training seats of 7,180 in 2016-17 and 7,300 in 2017-18. It is assumed the GRF grant increase covers both the increased # of seats as well as price inflation on training seats by training providers (2% for wages and 1% for other costs); and • Tuition remaining at \$85 per week and no fee increases in 2016-17 and 2017-18.
<p>Unrestricted Surplus (Excess over Minimum)</p> <p>Lead: Corporate Services</p>	<p>The amount of money in the Unrestricted Surplus over and above the minimum 1/12th of administrative operating expenses (not including training that must be held to fund emergencies/potential wind-down).</p>	<p>Measures the financial liquidity of the organization. It also indicates the ability of the organization to absorb higher costs and/or take on additional projects.</p>	<p>Unrestricted Surplus (Excess over Minimum) = Unrestricted Surplus (End of Year) – Minimum Balance</p> <p>Unrestricted Surplus (End of Year) = Unrestricted Surplus (Beginning of Year) + Annual (Deficit)/Surplus before Amortization + (Increase)/Decrease in AAI Balance + (Increase)/Decrease in SYA Balance – Purchase of Tangible Capital Assets – Acquisition of Prepaid Expense – Inventory Reduction – Other Expected Future Payments (e.g. retroactive Sk. Poly CBA costs to be paid in the future)</p> <p>Minimum Balance = 1/12 x [Total Expenses – Program Contractual Services (i.e. Training Costs)]</p>	<p>This is based on the preliminary 2015-16 Budget presented to the Board.</p> <p>Unrestricted Surplus (Excess over Minimum) = \$1,929K - \$602K = \$1,327K</p>	<p>This is based on the preliminary 2015-16 Budget presented to the Board.</p> <p>2016-17 Unrestricted Surplus (Excess over Minimum) = \$791K - \$606K = \$185K</p> <p>2017-18 Unrestricted Surplus (Excess over Minimum) = (\$407K) - \$624K = (\$1,031K)</p>

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation												
Annual (Deficit)/Surplus Lead: Corporate Services	The Annual (Deficit)/Surplus After Amortization measures the change in net assets of the SATCC from its operating activities in one fiscal year.	<p>Within each annual budget, the Board approves an annual deficit or surplus based on the budgeted revenues and expenses for the organization.</p> <p>This measure tracks how well management manages the organization's resources to meet the budget target for the annual deficit or surplus.</p>	Annual (Deficit)/Surplus After Amortization = Total Revenues (TR) – Total Expenses (TE) – Amortization (ATZN)	<p>This is based on the preliminary 2015-16 Budget presented to the Board.</p> <p>TR = \$29,016K - TE = <u>\$30,121K</u> Def. B4 ATZN = (\$1,105K)</p> <p>- ATZN = <u>\$147K</u> Def. aft ATZN = (\$1,252K)</p>	<p>This is based on the preliminary 2015-16 Budget presented to the Board.</p> <p>2016-17 TR = \$30,081K - TE = <u>\$31,244K</u> Def. B4 ATZN = (\$1,163K)</p> <p>- ATZN = <u>\$147K</u> Def. aft ATZN = (\$1,306K)</p> <p>2017-18 TR = \$31,165K - TE = <u>\$32,384K</u> Def. B4 ATZN = (\$1,220K)</p> <p>- ATZN = <u>\$147K</u> Def. aft ATZN = (\$1,367K)</p>												
Industry Trade Board Meetings Lead: Apprenticeship	Each designated trade has a Trade Board with equal representation from employers and employees of that Trade. As well, there are subject matter experts who participate on Trade Examining Boards and the Curriculum Development Boards.	<p>Trade boards provide a forum for trade-specific direction and general feedback to the ATCC from industry partners.</p> <p>SATCC staff support the Trade Boards and record minutes of all meetings; the number of meetings is reported.</p>	<p>Dependent on specific industry concerns or developments, trade boards meet at least once per year and then on an as needed basis.</p> <p>40 Trade Boards are currently active. Nine trades do not have active trade boards. This is due to being a low volume of inactive trade or a trade where technical training is delivered out of province.</p>	<table border="0"> <tr><td>2013-14</td><td>127</td></tr> <tr><td>2012-13</td><td>140</td></tr> <tr><td>2011-12</td><td>125</td></tr> <tr><td>2010-11</td><td>126</td></tr> <tr><td><u>2009-10</u></td><td><u>90</u></td></tr> <tr><td>5yr Av</td><td>122</td></tr> </table> <p>Rounded to 125</p>	2013-14	127	2012-13	140	2011-12	125	2010-11	126	<u>2009-10</u>	<u>90</u>	5yr Av	122	The target in the out years is projected to be the same as in 2015-16.
2013-14	127																
2012-13	140																
2011-12	125																
2010-11	126																
<u>2009-10</u>	<u>90</u>																
5yr Av	122																
Employer Consultations Lead: Apprenticeship	The number of visits made to employer work sites at year end.	This is a measure of service standards provided by field consultants to SATCC clients, both employers and apprentices.	5 year average of visits conducted.	<table border="0"> <tr><td>2013-14</td><td>4,354</td></tr> <tr><td>2012-13</td><td>3,876</td></tr> <tr><td>2011-12</td><td>3,953</td></tr> <tr><td>2010-11</td><td>4,890</td></tr> <tr><td><u>2009-10</u></td><td><u>3,621</u></td></tr> <tr><td>5yr Avg</td><td>4,139</td></tr> </table> <p>Rounded to 4,000</p> <p>In Ops Manual – 3,700 listed as the performance target for field consultants. This target has been consistently exceeded. Based on the 5 year average and the current internal target, 4,000 was chosen as a reasonable target.</p>	2013-14	4,354	2012-13	3,876	2011-12	3,953	2010-11	4,890	<u>2009-10</u>	<u>3,621</u>	5yr Avg	4,139	The target in the out years is projected to be the same as in 2015-16.
2013-14	4,354																
2012-13	3,876																
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<u>2009-10</u>	<u>3,621</u>																
5yr Avg	4,139																

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
Harmonization Stakeholder Consultations Lead: Apprenticeship	The National Harmonization effort requires input from provincial and territorial (P/T) stakeholders to come to consensus re: <ul style="list-style-type: none"> Use of Red Seal Name Use of current National Occupational Analysis Hours (work/training) Levels Sequence of Curriculum 	Industry boards (Trade Boards and Curriculum and Examination and Development Boards) provide a forum for content-specific direction and specific feedback to the SATCC and the Harmonization Taskforce. This informs the Canadian Council of Directors of Apprenticeship's (CCDA) Harmonization efforts. SATCC staff support the Boards and collaborate with national, provincial and territorial partners to consult, develop and validate trade-specific information. Additionally, these meetings may be with training providers to validate provincial curriculum and delivery.	The number of meetings included in this measure is with industry stakeholders only. Meetings with federal government and P/T counterparts are not included. The number of trades and timelines has been proposed by the CCDA. Provinces and territories are expected to participate to meet the following CCDA's strategic goals: <p>10 Trades harmonized by September 2016</p> <p>6 additional Trades harmonized by September 2017</p> <p>6 additional Trades harmonized by September 2018</p> <p>4 additional trades harmonized by September 2019</p>	Numbers are subject to change based on outcomes of previous trades and progress of individual trade's consultation process. Work started in 14-15 will roll into 15-16.	With the merging of the Harmonization project with another CCDA project, the consultations process will change. The out years targets are based on 5 meetings per trade to be harmonized. However, not all the trades proposed by the CCDA may not be included in SK consultations due to: <ul style="list-style-type: none"> whether the trade designated in SK; If technical training is provided in SK; and how SK subject matter experts (SME) will contribute. The out years targets are also based on <ol style="list-style-type: none"> Pre-consultation Consultation (2) Industry and training provider (mapping change) Validation of program
Technical Training Seats Fill Ratio Lead: Corporate Services	The SATCC compares the number of technical training seats purchased with the number of technical training seats used by apprentices.	More apprentices are trained.	The fill rate is calculated by the number of technical training seats purchased being divided by the number of seats filled by apprentices. (The number of seats purchased and filled includes the upgraders seats as SATCC pays full price for those seats; the number of seats purchased does not include the number of apprentices who attend technical training outside of Saskatchewan.) The 2013-14 target was set using a 5 year rolling average.	Due to operational changes and a focus on achieving the highest fill rate possible given the human resources available the target is being set at 98%; the optimal target in management's opinion. <p>2013-14 98.2</p> <p>2012-13 96.6</p> <p>2011-12 94.1</p> <p>2010-11 96.8</p> <p><u>2009-10 95.1</u></p> <p>5yr Rolling Avg 96.2</p>	The target is being set at 98% because management believes it is difficult to achieve much more than this level of performance.
Apprentice Satisfaction with SATCC Lead: Corporate Services	The Apprentice and Employer Satisfaction survey was conducted in 2007, 2010 and 2013. The 2013 survey asked customer and service satisfaction questions for the first time.	To indicate for apprentice satisfaction with SATCC service delivery.	The target is an average of the positive responses to 10 types of service SATCC provides to apprentices.	90% of apprentices indicate a positive response to a list of services provided by the SATCC to apprentices	The target in the out years is projected to be the same as in 2015-16.

Measure	Description	Purpose	Methodology	2015-16 Target Explanation	2016-18 Trend Explanation
Employer Satisfaction with SATCC Lead: Corporate Services	The Apprentice and Employer Satisfaction survey was conducted in 2007, 2010 and 2013. The 2013 survey asked customer and service satisfaction questions for the first time.	To indicate employer satisfaction with SATCC service delivery.	The target is an average of the positive responses to 7 types of service SATCC provides to employers.	92% of employers indicate a positive response to a list of services provided by the SATCC to employers	The target in the out years is projected to be the same as in 2015-16.
SATCC Employee Satisfaction Lead: Communications	The Annual Employee Engagement Survey is an internally generated survey which asks employees a number of questions to measure aspects of their job satisfaction. The results are tabulated and shared with employees. The survey has been administered for the last three years, in October of each year.	Measure SATCC staff satisfaction.	The target is an average of the percentage of employees who strongly agree or agree with the following statement: <i>"I find my work fulfilling and I look forward to coming to work each day."</i>	2013-14 69 2012-13 82 2011-12 76 <u>3yr Avg 75.6</u> Rounded to 75%	